

Minutes of the Finance Committee

Wednesday, September 8, 2004

Chair Haukohl called the meeting to order at 8:46 a.m.

Present: Supervisors Pat Haukohl (Chair), Bonnie Morris, Don Broesch, and County Board Chair Jim Dwyer. Jim Behrend arrived at 8:53 p.m., Genia Bruce at 9:27 a.m. (Dwyer left), Joe Marchese at 9:35 a.m., and Ken Herro at 10:13 a.m. Broesch left the meeting at 12:10 p.m.

Also Present: Legislative Policy Advisor Mark Mader, Budget Manager Keith Swartz, Treasurer Pam Reeves, Collections & Business Services Manager Sean Sander, Senior Financial Analyst Linda Hein, Enterprise Operations Manager Pete Pulos, Information Systems Manager Mike Biagioli, County Board Supervisors Duane Paulson and Bill Mitchell, Employee Benefits Administrator Pete Hans, Labor Relations Manager Jim Richter, and Accounting Services Manager Larry Dahl.

Status Report on the Contingency Fund

Swartz distributed copies of "Summary of 2004 Contingency Fund Transactions as of August 31, 2004." The contingency fund balance as of January 1, 2004 was \$1,350,000. He advised that \$22,500 was withdrawn from the fund in July for an Emergency Management hazardous materials incident that occurred in Menomonee Falls. The balance as of August 31, 2004 was \$1,327,500.

Status Report on Grant / Sunset Positions

Swartz referred to his annual report entitled "Resolutions / Ordinances Linking Federal / State / Municipal Funding to Positions Currently Authorized" which included information on ordinance or resolution number and the date adopted, department, type of funding, and date position terminated, if any. Swartz explained that if the funding source is reduced or discontinued, the position is adjusted accordingly. He noted there are very few changes from last year's report. Currently, there are a total of 52 full-time, 12 part-time, and 6 nutrition site managers that have a sunset clause associated with them.

Behrend arrived at 8:53 p.m.

Swartz reviewed the positions as outlined in the report. He distributed an update with regards to the Radio Dispatch Coordinator and the Computer Services Coordinator positions, a copy of which will also be given to the Personnel Committee Chair.

Review County Equalized Property Values

Swartz advised that Waukesha County's total equalized value for 2004 (including tax incremental districts) is \$40,939,573,700 which ranks 20th in the state in terms of growth percentage. This represents a 9.32% increase from 2003 when the total equalized value was \$37,450,170,400.

Bruce arrived at 9:27 a.m. whereby Dwyer left the meeting.

Marchese arrived at 9:35 a.m.

Of the 2004 total value, \$30,903,597,300 was residential and \$7,586,152,200 was commercial. Other categories include manufacturing, agricultural, forest, etc.

Review Payment of Special Assessments and Tax Certificates Issued

Reeves said the Treasurer's Office sent out 2,098 tax certificate totaling \$6,544,822.67. This compares to 2002 when 2,152 certificates were issued totaling \$6,485,919.60. She distributed copies of "History of Tax Certificates Issued" which included information on tax year, number issued, and the amount. Reeves

referred to her report entitled "Delinquent Special Assessments Paid to Municipalities Per Wis. Stat. 74.29." The 2004 total including all County municipalities was \$737,372.57. This compares to 2003 when the total was \$779,635.82.

Herro arrived at 10:13 a.m.

2nd Quarter Status Report on Proprietary Funds

Sander, Hein, and Pulos were present to discuss the report as outlined for the County's various enterprise and internal service funds. Those funds that had a net income at the end of the 2nd quarter were the Naga-Waukees Golf Course (\$39,023); Eble Park Ice Arena (\$1,561); Materials Recycling (\$1,306,230); Radio Services (\$431,126); Records Management (\$62,214); Communications (\$124,248); and Collections (\$254,806). Those that had a net loss were the Wanaki Golf Course (-\$227,258); Moor Downs Golf Course (-\$92,237); Naga-Waukees Ice Arena (-\$12,587); Expo Center (-\$120,798); Airport (-\$62,240); Vehicle / Equipment Replacement (-\$80,654); Central Fleet (-\$5,945); Risk Management / Worker's Compensation (-\$314,418); and End User Technology (-\$144,662). Haukoil will schedule a Finance Committee review of the 2004 budget objectives for proprietary funds in January or February 2005.

Review the 2005-2009 Capital Projects Plan as it Relates to the Department of Administration – Project Sheet Numbers 39 and 42 thru 48

Biagioli and Sander discussed the Tax Records Replacement project scheduled to be completed in 2005. The total project cost is \$900,000 – the bulk of which will be used to redirect and realign the data. However, there may be additional hardware requirements for the Register of Deeds and the Treasurer and funds have been added into the project to cover these expenses. The intent of this project is to replace this custom system with a purchased vendor package that operates on one of the County's standard operating environments and allow the County to eliminate the only remaining mainframe based system.

Biagioli discussed the Internet and Intranet Infrastructure project which involves an additional \$230,000 for 2005 bringing the total project cost to \$2,116,650. It's expected this project will be completed in 2005. The original objectives of this system included providing the County with a comprehensive computer system environment, evaluate the systems, and migrate them to the web-based environment, if possible. The additional funds requested for 2005 will be used to develop a common entry point for all citizens needing to transact business with the County, select and implement an XML tool that will allow the County to interact with the State without requiring major modifications, and allow municipalities to access the County's systems without requiring them to modify their systems.

Biagioli reviewed the Electronic Document Management System project which includes \$195,000 for 2005 and \$90,000 for 2006 bringing the project total to \$1,425,000 with a revenue budget of \$285,000. It's expected this project will still be in the implementation stage in 2006. This is a web-based application that will allow departments to view these images once they've been transferred from paper.

Biagioli reviewed the Upgrade Office Suite from Windows 2000 project which involves a change in scope. He said they have identified an alternative to Microsoft Office: Star Office Suite. This would result in dramatic cost savings. There are some format problems that staff are working on. One major concern is that the State requires the County's Health & Human Services Department to use Microsoft forms. If this can be worked out through the vendor, the County will move forward with signing a contract with Star Office. Included in the 2005 budget will be \$560,000 for this project which will bring the total project cost to \$610,000.

With regards to the Fiber Link to County Facilities project, an additional \$50,000 has been included in the 2005 budget bringing this project total to \$810,000. Biagioli advised that this project is coming along as planned. This will complete the installation of the Secondary Storage Network (SAN) environment to be located at the new Waukesha County Communications Center's computer facility. This infrastructure

will insure that all essential county data is replicated and recoverable in the event of an incident that dictates data or business restoration of systems.

Biagioli said the Telecommunications Environment Upgrade project is coming along as planned. This project was deferred last year to 2006.

The HIPAA Security project is also coming along as planned. Haukohl pointed out this is a federal mandate with no grant dollars and all tax levy totaling \$160,000, \$110,000 of which has been included in the 2005 budget.

Biagioli and Sander discussed the Countywide Cashiering project which is scheduled to be implemented and completed in 2005. The total project cost is \$545,000, \$245,000 of which has been included in the 2005 budget. This system will provide a countywide cashiering solution for those departments that use this function, and for future uses of receiving monies for County services and processing receipts for received funds. Biagioli said the County is currently supporting nine different cashiering systems and he hopes to get this number down to three, possibly even one. This will be tied in with the County's financial systems and it will be a web-based, payment capable system.

A consensus of the committee approved the 2005-2009 Capital Projects Plan as it relates to the Department of Administration (project sheet numbers 39 and 42 thru 48).

The above minutes were recorded by Mary Pedersen, Legislative Associate. The following was recorded by Windy Jicha, Office Services Manager.

Ordinance 159-O-051: Create Program Changes to the Retiree Health Insurance Plan

MOTION: Herro moved, second by Behrend to approve Ordinance 159-O-051.

Hans said they met with several county board committees to talk about the retiree health insurance plan. The committees directed the Department of Administration to study the retiree health insurance plan with the objective of continuing retirees' health insurance but reducing the county subsidy. The premiums associated with the current plan are becoming cost prohibitive and unaffordable. The study group comprised of retired and active employees started work in May by investigating different plans, finding out what retirees are looking for in an insurance policy and providing personal feedback. An actuary helped the committee investigate different plans and pricing.

Hans said an article in today's Milwaukee Journal Sentinel did not accurately report the actual costs associated with the new insurance plan options. He said the article mentioned cost increases but did not mention the costs savings realized due to lower monthly premiums. If we keep the current plan design, we would have to impose a 34% premium increase.

Hans reviewed the handout titled, "Comparison of 2004 Retiree Health Plan Design and Proposed Dual Option Retiree Health Plan Design." He compared the benefits and premiums of the current plan with both proposed options. The current non-Medicare plan allows members to select only single or family policies. Proposed plan number one would allow non-Medicare, married couples to enter into a two-party plan and realize annually savings of \$8,148 from monthly premiums. Hans said the approach to use to insure the success of this program is to offer several options for participants to choose from. Once the board approves this ordinance, the Personnel Committee will work to change policy and procedure language to match the policy changes.

Supervisor Broesch left the meeting at 12:10 p.m.

Herro said the county isn't responsible for the care of employees after they retire. It isn't a right. We don't have an obligation to take care of these people once they retire. Haukohl said when the county hires people, the retiree insurance program is part of the negotiation process.

Paulson said the high cost of the retiree health insurance goes back to 1996 when retirees not on Medicare were taken out of the employee group. There's no record of this happening. The rates are much higher for the smaller, retiree group than the rates for our active employees.

Herro said we don't tell employees they are going to get health insurance from us for the rest of their lives. Herro said the study group recommended putting the retirees back into the pool of active employees. Richter said the administration doesn't support this recommendation but couldn't censor their work.

Motion carried 6-0.

Approve Minutes of August 18 and 24, 2004

MOTION: Marchese moved, second by Herro to approve the minutes of August 18, 2004. Motion carried 6-0.

MOTION: Bruce moved, second by Behrend to approve the minutes of August 24, 2004. Motion carried 6-0.

Schedule Next Meeting Dates

October 4.

Correspondence

Copies of the Finance Committee's agendas for October 4, 6, 12, 13, 18 and 20 were distributed.

MOTION: Marchese moved, second by Behrend to adjourn the meeting at 12:40 p.m. Motion carried 6-0.

Respectfully submitted,

Bonnie J. Morris
Secretary